

Message Text

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ACTION EUR-25

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FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC IMMEDIATE 4090

C O N F I D E N T I A L REYKJAVIK 1303

E.O. 11652: N/A

TAGS: MARR IC

SUBJECT: IDF RETENTION NEGOTIATIONS: 1958 AIR NAVIGATIONAL
EQUIPMENT LOAN AGREEMENT

REF: SECSTATE 215052

1. SUMMARY. AFTER EXAMINING 1958 AGREEMENT ON LOAN TO GOI
OF AIR NAVIGATIONAL EQUIPMENT AND CONSIDERING STATE OF EQUIP-
MENT AND USES TO WHICH IT BEING PUT, WE CONCLUDE CONNECTING RE-
NEWAL OF AGREEMENT TO IDF RETENTION NEGOTIATIONS WOULD PROBABLY
NOT BE USEFUL PLOY. HOWEVER, WAY MIGHT BE FOUND TO USE RE-
NEWAL TO GENERATE PUBLICITY USEFUL TO IDF NEGOTIATIONS.

END SUMMARY.

2. EMBASSY HAS LEARNED THAT EQUIPMENT UNDER 1958 AGREEMENT IS
LARGELY OBSOLESCEANT AND INCREASINGLY EXPENSIVE TO MAINTAIN.
ICELAND (OR SOMEONE ELSE) WILL HAVE TO REPLACE IT EVEN-
TUALLY WITH NEWER EQUIPMENT BUT GOI DOES NOT WISH TO DO SO AT
THIS POINT. IT IS AT NUMBER OF SITES AROUND COUNTRY, SOME OF
THOSE SITES DIFFICULT TO SERVICE BECAUSE OF RELATIVE
INACCESSIBILITY. UHF EQUIPMENT USED ALMOST EXCLUSIVELY FOR
MILITARY TRAFFIC AND EVEN IF UNDER WORST CIRCUMSTANCES BASE
WERE WITHDRAWN, PROBABLY WOULD STILL BE NECESSARY IF NATO
MILITARY AIR TRAFFIC WERE TO HAVE USE OF KEFLAVIK FIELD OR
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ICELANDIC AIR SPACE.

3. VHF EQUIPMENT USED ALMOST EXCLUSIVELY FOR CIVILIAN PURPOSES AND COVERS AREA OUT TO ABOUT 150 MILES FROM ICELAND'S SHORES. USED, THEREFORE, NOT ONLY BY ICELAND'S CIVILIAN TRAFFIC BUT BY ALL CIVILIAN CARRIERS USING GREAT CIRCLE ROUTE ACROSS ATLANTIC. WE UNDERSTAND AS MUCH AS FORTY PERCENT OF THAT TRAFFIC MAY BE US FLAG CARRIERS.

4. ILS EQUIPMENT WAS ORIGINALLY FURNISHED BY US AF BUT WAS TURNED OVER TO GOI AT SOME TIME IN PAST. GOI NOW OWNS AND OPERATES IT AT NO COST TO USG. VOR AND TACAN ARE OWNED, OPERATED AND MAINTAINED BY US NAVY WITH PARTS FURNISHED BY FAA UNDER SUPPORT AGREEMENT.

5. FOLLOWING ARE ANSWERS TO SPECIFIC QUESTIONS RAISED BY DEPARTMENT.

(A) ALTHOUGH PRECISE PURPOSE OF KOFOED-HANSEN'S VISIT TO WASHINGTON IS NOT KNOWN, HIS OFFICE HAS INDICATED ONE OF MAIN PURPOSES IS TO DISCUSS RENEWAL OF 1958 AGREEMENT.

(B) 1958 AGREEMENT AND OTHER SUBSEQUENT AGREEMENTS HAVE BEEN MADE DIRECTLY BETWEEN US CIVIL AERONAUTICS ADMINISTRATION AND DIRECTOR GENERAL, CIVIL AVIATION. WHILE FOREIGN MINISTRY HAS BEEN KEPT INFORMED, IT HAS PLAYED NO PART IN THESE CONTACTS.

(C) IN ABOVE CIRCUMSTANCES, WE DOUBT THAT THIS IS MATTER WHICH COULD APPROPRIATELY BE DEALT WITH IN IDF NEGOTIATIONS.

(D) 1958 AGREEMENT AND SUBSEQUENT ONES SPECIFICALLY STATE THAT THEY ARE IN ACCORDANCE WITH GENERAL PROVISIONS OF 1951 DEFENSE AGREEMENT.

(E) RELATIONS BETWEEN KOFOED-HANSEN AND AGUSTSSON CAN BE SUMMED UP IN TWO WORDS: INTENSE DISLIKE.

(*) SHOULD WE TRY TO MAKE THIS PART OF LARGER NEGOTIATION, KOFOED-HANSEN MIGHT BE PLEASED SINCE HE WOULD LIKE TO INJECT HIMSELF INTO BASE NEGOTIATIONS. AGUSTSSON WOULD RESENT
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HIS INTRUSION. THAT WOULD OOOOOTT ECESSARILY NEED TO DETER US, HOWEVER, IF WE COULD SEE OVERRIDING BENEFITS FROM DOING SO.

6. ABOVE CIRCUMSTANCES CAUSE US TO CONCLUDE THAT THERE WOULD BE NOTHING GAINED FROM ATTEMPT TO BRING EQUIPMENT LOAN INTO IDF NEGOTIATIONS. IF WE WERE TO REMOVE EQUIPMENT, GOI WOULD HAVE TO REPLACE THAT PART OF IT USED FOR CIVILIAN PURPOSES BUT US CARRIERS WOULD SUFFER IN INTERIM AND USG

COULD BE CHARGED WITH USING PRESSURE TACTICS WHICH JEOPARDIZE SAFETY. GOI WOULD NOT REPLACE UHF AND LOSS WOULD BE OURS AND NATO'S.

7. ON OTHER HAND, WE SUPPORT DEPARTMENT REQUEST THAT FAA TAKE NO DEFINITIVE ACTION AT THIS TIME SINCE IT MIGHT BE USEFUL AT LATER STAGE TO HAVE PUBLICITY CONCERNING OPERATIONS AT BASE SIMILAR TO THAT RECENTLY RECEIVED FROM OPENING OF CROSS-WIND RUNWAY AND SIGNATURE OF AGREEMENT ON REMOVAL OF MARINE GUARD FROM MAIN GATE. APPROPRIATE TIME FOR SIGNATURE OF RENEWAL MIGHT BE DURING PROPOSED JANUARY VISIT OF MINISTER OF TRANSPORTATION BJORN JONSSON TO WASHINGTON. SINCE JONSSON'S VOTE IN CABINET (AND THAT OF HIS PARTY IN ALTHING) WILL BE CRUCIAL TO EVENTUAL IDF DECISION, WE NEED ANY OPPORTUNITIES TO INVOLVE HIM WITH KEFLAVIK FIELD. ADDITIONALLY, HE IS KOFOED-HANSEN'S MINISTERIAL BOSS.
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